

Total Industry Universal Service Support Requirement
BCM2 Local Exchange Costs Less Actual Local Exchange Revenues and Resulting Support By Wire Center
Estimates Based on 1993 Costs and Revenues from Publicly Available Data

| NECA Code | Company Name | Annual Amounts Based on BCM2 | | | | | |
|--------------|----------------------|------------------------------|-------------------------|--------------------|---------------------------|------------------------------------|-----------------------|
| | | BCM2 Lines | Actual Local Revenue | BCM2 Local Cost | BCM2 Support Required* | Actual Support Required (Att 2) | Support Difference |
| (A) | (B) | (B) | (C) | (D) | (E) | (F) | (G=E-F) |
| Utah | | | | | | | |
| 502275 | NAVAJO COMM CO INC | 1,584 | 200,976 | 2,231,545 | 2,030,569 | 213,753 | 1,816,816 |
| 502277 | CENTRAL UTAH TEL INC | 1,076 | 318,060 | 1,469,971 | 1,151,911 | 415,165 | 736,747 |
| 502278 | EMERY TELEPHONE | 4,361 | 907,140 | 3,458,826 | 2,551,686 | 1,187,887 | 1,363,799 |
| 502279 | GUNNISON TEL CO | 1,231 | 396,487 | 898,952 | 502,465 | 119,441 | 383,024 |
| 502282 | MANTI TEL CO | 1,710 | 373,036 | 1,155,142 | 782,106 | 112,376 | 669,730 |
| 502283 | SKYLINE TELECOM | 854 | 190,739 | 595,945 | 405,206 | 81,390 | 323,816 |
| 502284 | BEEHIVE TEL CO | 1,176 | 119,904 | 2,344,674 | 2,224,770 | 1,361,606 | 863,164 |
| 502286 | S CEN UTAH TEL ASSN | 4,996 | 954,384 | 5,364,669 | 4,410,285 | 2,413,089 | 1,997,196 |
| 502287 | UINTAH BASIN TEL | 3,418 | 522,609 | 4,619,279 | 4,096,670 | 1,825,100 | 2,271,570 |
| 503032 | BEAR LAKE COMM INC | 130 | 172,603 | 245,679 | 73,076 | 0 | 73,076 |
| 504429 | CITIZENS TELECOM UT | 20,672 | 4,515,392 | 17,018,228 | 12,502,836 | 7,409,206 | 5,093,630 |
| 505107 | US WEST MTN BELL | 903,053 | 240,964,410 | 312,361,892 | 71,721,233 | 99,377,885 | (27,656,652) |
| | State Total | 944,261 | 249,635,740 | 351,764,802 | 102,452,813 | 114,516,899 | (12,064,086) |

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| (A) | (B) | (B) | (C) | (D) | (E) | (F) | (G=E-F) |
| Virginia | | | | | | | |
| 190217 | AMELIA TEL CORP | 3,526 | 1,098,480 | 2,282,828 | 1,184,348 | 921,262 | 263,085 |
| 190219 | BUGGS IS TEL COOP | 2,197 | 596,564 | 1,636,245 | 1,039,681 | 924,832 | 114,849 |
| 190220 | BURKES GRDN TEL CO | 1,139 | 35,959 | 1,085,310 | 1,049,351 | 58,909 | 990,442 |
| 190225 | CITIZENS TEL COOP | 6,521 | 1,429,464 | 4,738,921 | 3,309,457 | 1,973,253 | 1,336,204 |
| 190226 | CLIFTON FORGE-WAYNES | 37,868 | 9,690,169 | 13,860,870 | 4,170,701 | 2,919,146 | 1,251,555 |
| 190233 | CONTEL VA DBA GTE VA | 519,503 | 133,796,450 | 224,078,384 | 90,281,934 | 81,714,531 | 8,567,403 |
| 190236 | N RIVER TEL COOP | 2,834 | 116,871 | 1,503,540 | 1,386,669 | 226,178 | 1,160,491 |
| 190237 | HIGHLAND TEL COOP | 1,209 | 361,466 | 1,247,419 | 885,953 | 274,797 | 611,156 |
| 190238 | MGW TELEPHONE CO | 1,892 | 400,239 | 1,948,383 | 1,548,144 | 423,129 | 1,125,015 |
| 190239 | NEW HOPE TEL CO | 1,632 | 253,902 | 1,112,691 | 858,789 | 76,487 | 782,302 |
| 190243 | PEMBROKE TEL COOP | 3,932 | 482,868 | 2,883,933 | 2,401,065 | 448,529 | 1,952,536 |
| 190244 | PEOPLES MUTUAL TEL | 11,820 | 1,515,770 | 6,437,187 | 4,921,417 | 1,041,100 | 3,880,317 |
| 190248 | SCOTT CO TEL COOP | 13,445 | 1,117,524 | 8,055,777 | 6,938,253 | 1,314,003 | 5,624,250 |
| 190249 | ROANOKE & BOTETOURT | 7,395 | 2,277,273 | 4,380,448 | 2,103,175 | 1,533,020 | 570,155 |
| 190250 | SHENANDOAH TEL CO | 25,427 | 4,673,460 | 13,375,941 | 8,702,481 | 2,632,728 | 6,069,753 |
| 190253 | VIRGINIA TEL CO | 2,562 | 579,096 | 1,290,196 | 711,100 | 174,452 | 536,648 |
| 190254 | CENTRAL TEL OF VA | 318,006 | 74,570,435 | 138,998,816 | 64,428,381 | 43,853,393 | 20,574,988 |
| 190479 | GTE SOUTH INC - VA | 42,123 | 10,507,520 | 22,317,847 | 11,810,327 | 8,703,557 | 3,106,770 |
| 190567 | UNITED INTER-MTN TEL | 115,177 | 25,380,875 | 57,158,805 | 31,777,930 | 15,036,480 | 16,741,451 |
| 193029 | NEWCASTLE TEL CO | 2,305 | 405,854 | 1,787,000 | 1,381,146 | 659,472 | 721,674 |
| 195040 | BELL ATLANTIC VA INC | 3,179,654 | 1,022,838,740 | 1,031,141,346 | 110,633,760 | 263,409,557 | (152,775,797) |
| | State Total | 4,300,166 | 1,292,128,978 | 1,541,321,887 | 351,524,063 | 428,318,816 | (76,794,752) |

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| (A) | (B) | (B) | (C) | (D) | (E) | (F) | (G=E-F) |

Vermont

| | | | | | | | |
|--------------------|-----------------------|----------------|--------------------|--------------------|-------------------|-------------------|--------------------|
| 140053 | FRANKLIN TEL CO | 1,953 | 176,668 | 1,146,632 | 969,964 | 85,214 | 884,749 |
| 140058 | LUDLOW TEL CO | 2,801 | 938,382 | 1,823,240 | 884,858 | 477,235 | 407,624 |
| 140061 | NORTHFIELD TEL CO | 3,193 | 707,340 | 1,932,275 | 1,224,935 | 610,439 | 614,496 |
| 140062 | PERKINSVILLE SVC COR | 809 | 188,424 | 595,639 | 407,215 | 186,735 | 220,480 |
| 140064 | SHOREHAM TEL CO | 2,826 | 983,400 | 2,261,138 | 1,277,737 | 527,911 | 749,826 |
| 140068 | TOPSHAM TEL CO | 986 | 213,667 | 735,098 | 521,431 | 307,164 | 214,267 |
| 140069 | WAITSFELD-FAYS TEL CO | 1,813 | 1,391,768 | 1,275,113 | 0 | 2,395,937 | (2,395,937) |
| 145115 | NYNEX NEW ENGLAND | 311,967 | 105,232,580 | 153,632,515 | 52,889,611 | 61,408,930 | (8,519,319) |
| State Total | | 326,348 | 109,832,229 | 163,401,650 | 58,175,751 | 65,999,566 | (7,823,814) |

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| Washington | | | | | | | |
| 522400 | UNITED TEL CO OF NW | 72,228 | 17,098,962 | 38,383,966 | 21,285,004 | 14,512,913 | 6,772,091 |
| 522404 | ASOTIN TEL CO | 11,719 | 372,903 | 6,174,232 | 5,801,329 | 431,490 | 5,369,839 |
| 522408 | TEL UTILITIES OF WA | 137,825 | 29,883,199 | 84,329,609 | 54,446,410 | 33,129,484 | 21,316,925 |
| 522410 | COWICHE TEL CO | 3,164 | 504,147 | 2,212,013 | 1,707,866 | 535,424 | 1,172,441 |
| 522412 | ELLENSBURG TEL CO | 19,853 | 4,122,060 | 9,852,452 | 5,730,392 | 3,476,117 | 2,254,274 |
| 522416 | GTE NORTHWEST INC-WA | 661,228 | 197,527,530 | 232,296,952 | 41,234,736 | 115,793,276 | (74,558,540) |
| 522417 | HAT ISLAND TEL CO | 2,303 | 24,702 | 1,132,462 | 1,107,760 | 42,360 | 1,065,399 |
| 522419 | HOOD CANAL TEL CO | 1,827 | 205,786 | 1,482,118 | 1,276,332 | 489,767 | 786,565 |
| 522423 | INLAND TEL CO - ID | 2,633 | 769,363 | 2,672,222 | 1,902,860 | 1,298,280 | 604,580 |
| 522426 | KALAMA TEL CO | 3,051 | 615,368 | 1,732,918 | 1,117,550 | 731,596 | 385,954 |
| 522427 | LEWIS RIVER TEL CO | 4,596 | 1,253,082 | 3,274,038 | 2,020,956 | 1,614,592 | 406,364 |
| 522430 | MCDANIEL TEL CO INC | 4,119 | 949,318 | 3,189,640 | 2,240,322 | 285,980 | 1,954,342 |
| 522431 | MASHELL TELECOM INC | 5,556 | 557,858 | 3,952,645 | 3,394,787 | 1,127,269 | 2,267,518 |
| 522437 | PIONEER TEL CO | 851 | 167,076 | 1,023,175 | 856,099 | 782,768 | 73,331 |
| 522442 | ST JOHN TEL CO | 774 | 183,729 | 575,577 | 391,848 | 327,705 | 64,142 |
| 522446 | TENINO TEL CO | 4,783 | 552,877 | 2,906,432 | 2,353,554 | 1,094,669 | 1,258,885 |
| 522447 | TOLEDO TEL CO INC | 1,395 | 416,865 | 1,371,608 | 954,743 | 578,923 | 375,821 |
| 522449 | CONTEL CO OF THE NW | 85,037 | 23,360,200 | 46,685,974 | 23,325,774 | 21,956,823 | 1,368,951 |
| 522451 | W WAHIAKUM CNTY TEL | 1,601 | 266,452 | 1,681,827 | 1,415,375 | 1,190,381 | 224,994 |
| 522452 | WHIDBEY TEL CO | 6,636 | 2,988,662 | 3,389,502 | 424,584 | 6,550,105 | (6,125,521) |
| 522453 | YELM TEL CO | 9,188 | 1,674,746 | 5,102,653 | 3,427,907 | 2,574,908 | 852,999 |
| 525161 | US WEST PNW BELL | 2,236,671 | 628,457,060 | 702,261,654 | 97,959,413 | 270,803,537 | (172,844,124) |
| State Total | | 3,277,038 | 911,951,944 | 1,155,683,668 | 274,375,600 | 479,328,369 | (204,952,769) |

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| (A) | (B) | (B) | (C) | (D) | (E) | (F) | (G=E-F) |
| Wisconsin | | | | | | | |
| 330841 | CENCOM WI DBA PTI CM | 21,796 | 6,185,703 | 14,936,896 | 8,751,193 | 4,004,476 | 4,746,717 |
| 330842 | AMERY TEL CO | 4,702 | 1,027,884 | 2,684,177 | 1,656,294 | 525,895 | 1,130,399 |
| 330843 | AMHERST TEL CO | 6,355 | 739,811 | 5,457,703 | 4,717,891 | 920,550 | 3,797,341 |
| 330844 | BADGER TELECOM INC | 6,353 | 1,638,488 | 4,167,128 | 2,528,640 | 1,307,219 | 1,221,421 |
| 330846 | BALDWIN TELCOM INC | 2,981 | 615,638 | 1,263,594 | 647,956 | 742,244 | (94,288) |
| 330847 | BELMONT TEL CO | 1,001 | 148,521 | 646,351 | 497,831 | 173,930 | 323,901 |
| 330848 | BERGEN TEL CO-WI | 215 | 52,531 | 186,121 | 133,590 | 98,039 | 35,551 |
| 330849 | BLACK EARTH TEL CO | 1,198 | 336,721 | 650,237 | 313,516 | 307,252 | 6,264 |
| 330850 | BLOOMER TEL CO | 3,430 | 424,762 | 1,627,196 | 1,202,434 | 351,849 | 850,585 |
| 330855 | BRUCE TEL CO INC | 577 | 276,454 | 347,378 | 70,923 | 443,208 | (372,284) |
| 330856 | BURL BRI & WHE TEL | 3,098 | 660,751 | 1,834,364 | 1,173,613 | 725,422 | 448,191 |
| 330857 | CASCO TEL CO | 441 | 314,784 | 362,929 | 48,145 | 326,232 | (278,087) |
| 330858 | FRONTIER CM LAKESH | 1,389 | 398,741 | 969,892 | 571,151 | 200,062 | 371,089 |
| 330859 | CENTRAL STATE TEL CO | 7,484 | 2,425,937 | 5,817,059 | 3,391,122 | 1,544,615 | 1,846,507 |
| 330860 | CHEQUAMEGON TEL COOP | 7,022 | 1,246,180 | 7,447,509 | 6,201,329 | 2,643,468 | 3,557,861 |
| 330861 | CHIBARDUN TEL COOP | 5,364 | 1,049,467 | 3,652,467 | 2,603,000 | 1,429,821 | 1,173,179 |
| 330863 | CITIZENS TEL COOP I | 2,599 | 327,548 | 2,061,355 | 1,733,806 | 386,970 | 1,346,836 |
| 330865 | CLEAR LAKE TEL CO I | 1,242 | 244,690 | 766,056 | 521,365 | 312,606 | 208,760 |
| 330866 | COCHRANE COOP TEL CO | 1,278 | 205,299 | 892,500 | 687,201 | 309,680 | 377,521 |
| 330868 | COON VLY FARMERS TEL | 2,860 | 307,628 | 2,033,251 | 1,725,622 | 454,008 | 1,271,614 |
| 330870 | CRANDON TEL CO | 2,583 | 676,515 | 2,238,876 | 1,562,361 | 1,033,394 | 528,967 |
| 330872 | CUBA CTY TEL EX CO I | 1,719 | 333,811 | 802,367 | 468,556 | 315,503 | 153,052 |
| 330875 | DICKEYVILLE TEL CORP | 1,314 | 280,953 | 860,583 | 579,630 | 801,817 | (222,187) |
| 330877 | FAIRWTR-BRAN-ALT TEL | 1,492 | 296,916 | 1,015,743 | 718,828 | 321,130 | 397,698 |
| 330879 | FARMERS IND TEL CO | 2,917 | 403,625 | 1,900,202 | 1,496,577 | 375,479 | 1,121,098 |
| 330880 | FARMERS TEL CO | 6,742 | 1,087,976 | 3,630,548 | 2,542,573 | 650,685 | 1,891,888 |
| 330881 | MID-PLAINS TEL INC | 34,127 | 7,639,568 | 11,609,130 | 3,969,562 | 2,301,406 | 1,668,156 |
| 330884 | FORESTVILLE TEL CO | 2,740 | 374,950 | 2,044,785 | 1,669,836 | 870,351 | 799,485 |
| 330886 | GTE OF WI | 479,102 | 121,335,060 | 246,246,623 | 124,911,563 | 77,851,182 | 47,060,381 |
| 330889 | HAGER CITY TEL CO | 2,472 | 578,921 | 1,625,078 | 1,046,157 | 383,552 | 662,605 |
| 330891 | HEADWATERS TEL CO | 4,236 | 956,800 | 3,469,785 | 2,512,985 | 865,315 | 1,647,670 |
| 330892 | HILLSBORO TEL CO INC | 1,350 | 373,507 | 883,830 | 510,323 | 434,258 | 76,065 |
| 330895 | CENTURY TEL OF WI I | 61,706 | 14,093,980 | 18,301,524 | 4,207,544 | 5,160,566 | (953,022) |
| 330896 | LAKEFIELD TEL CO | 1,525 | 396,377 | 938,068 | 541,690 | 339,470 | 202,220 |
| 330898 | CENT LARSEN READFLD | 3,984 | 451,573 | 2,385,417 | 1,933,844 | 916,348 | 1,017,497 |
| 330899 | LA VALLE TEL COOP | 1,452 | 336,163 | 1,077,940 | 741,777 | 476,164 | 265,613 |
| 330900 | LEMONWEIR VLY TEL CO | 2,288 | 553,285 | 1,527,845 | 974,560 | 518,058 | 456,502 |
| 330902 | LUCK TEL CO | 2,153 | 364,606 | 1,539,855 | 1,175,249 | 429,056 | 746,193 |
| 330905 | MANAWA TEL CO INC | 2,493 | 557,072 | 1,808,660 | 1,251,589 | 414,165 | 837,423 |
| 330908 | MARQ-ADAMS TEL COP I | 1,621 | 636,807 | 1,313,873 | 677,067 | 905,219 | (228,152) |
| 330909 | MIDWAY TEL CO - WI | 8,034 | 1,903,656 | 4,176,488 | 2,272,833 | 764,297 | 1,508,536 |
| 330910 | MILLTOWN MUT TEL CO | 1,613 | 456,023 | 1,176,378 | 720,355 | 386,962 | 333,393 |
| 330912 | FRONTIER CM MONDOVI | 2,710 | 572,902 | 1,187,349 | 614,447 | 389,682 | 224,765 |
| 330913 | CENTRUY MONROE CTY | 10,736 | 1,926,622 | 5,476,923 | 3,550,301 | 2,248,723 | 1,301,578 |
| 330914 | EASTCOAST TELECOM | 8,214 | 1,406,608 | 4,917,190 | 3,510,582 | 1,182,910 | 2,327,672 |
| 330915 | MOSINEE TEL CO | 5,707 | 994,873 | 2,474,362 | 1,479,489 | 904,603 | 574,886 |
| 330916 | MOUNT HOREB TEL CO | 3,561 | 894,635 | 1,678,165 | 783,530 | 865,121 | (81,592) |
| 330917 | MOUNT VERNON TEL CO | 7,111 | 1,838,888 | 3,272,458 | 1,433,571 | 610,460 | 823,110 |
| 330918 | NELSON TEL COOP | 4,506 | 601,020 | 3,040,127 | 2,439,107 | 1,366,207 | 1,072,900 |
| 330920 | NIAGARA TEL CO | 3,237 | 713,196 | 2,400,309 | 1,687,113 | 644,045 | 1,043,068 |
| 330922 | NW TEL CO DBA PTI CM | 74,979 | 20,826,624 | 36,798,488 | 15,971,864 | 5,566,928 | 10,404,936 |
| 330924 | KENDALL TEL INC | 838 | 166,037 | 622,655 | 456,618 | 87,576 | 369,042 |
| 330925 | BAYLAND TEL INC | 1,818 | 490,877 | 1,260,345 | 769,468 | 416,949 | 352,518 |
| 330930 | GRANTLAND TELECOM | 4,758 | 1,096,906 | 2,946,036 | 1,849,130 | 330,441 | 1,518,689 |
| 330931 | PEOPLES TEL CO - WI | 7,217 | 1,591,429 | 4,396,764 | 2,805,335 | 1,420,050 | 1,385,284 |

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| Wisconsin-Continued | | | | | | | |
| 330934 | PLATTEVILLE DBA PTI | 8,392 | 1,893,879 | 3,547,267 | 1,653,387 | 152,674 | 1,500,713 |
| 330936 | INDIANHEAD TEL CO | 1,794 | 316,814 | 1,614,739 | 1,297,925 | 728,807 | 569,118 |
| 330937 | PRICE COUNTY TEL CO | 3,430 | 778,450 | 2,463,835 | 1,685,385 | 1,300,334 | 385,051 |
| 330938 | NORTHEAST TEL CO | 9,577 | 1,268,412 | 5,493,085 | 4,224,673 | 930,234 | 3,294,439 |
| 330940 | RHINELANDER TEL CO | 12,107 | 2,930,433 | 5,757,468 | 2,827,035 | 1,603,385 | 1,223,650 |
| 330941 | RIB LAKE TEL CO | 2,621 | 333,692 | 2,030,886 | 1,697,194 | 356,789 | 1,340,405 |
| 330942 | RICHL-GRAVE TEL COOP | 2,866 | 514,672 | 2,341,385 | 1,826,713 | 902,461 | 924,252 |
| 330943 | RIVERSIDE TELECOM | 3,430 | 808,921 | 1,845,828 | 1,036,907 | 243,686 | 793,221 |
| 330944 | FRONTIER CM ST CROIX | 6,564 | 954,240 | 3,119,828 | 2,165,589 | 1,665,597 | 499,992 |
| 330945 | SCANDINAVIA TEL CO | 2,007 | 423,365 | 1,820,045 | 1,396,680 | 725,218 | 671,462 |
| 330946 | SHARON TEL CO - WI | 966 | 327,383 | 675,195 | 347,812 | 176,052 | 171,761 |
| 330949 | SIREN TEL CO INC | 2,012 | 348,338 | 1,291,145 | 942,807 | 430,967 | 511,840 |
| 330950 | CENTURY NW WISCONSIN | 14,620 | 3,002,720 | 10,807,903 | 7,805,182 | 4,429,690 | 3,375,493 |
| 330951 | SOMERSET TEL CO INC | 2,709 | 326,292 | 1,612,432 | 1,286,140 | 416,102 | 870,038 |
| 330952 | SOUTHEAST TEL CO WI | 9,236 | 1,871,010 | 4,249,493 | 2,378,483 | 714,746 | 1,663,737 |
| 330953 | SPRING VALLEY TEL CO | 1,246 | 200,043 | 827,854 | 627,811 | 253,011 | 374,800 |
| 330954 | STOCKB & SHER TEL CO | 4,260 | 835,351 | 2,841,347 | 2,005,996 | 568,344 | 1,437,652 |
| 330955 | STATE LONG DIS TELCO | 8,642 | 2,322,951 | 3,354,531 | 1,031,580 | 699,785 | 331,795 |
| 330956 | CENTURY NO WISCONSIN | 13,506 | 2,756,580 | 11,757,184 | 9,000,605 | 4,370,754 | 4,629,850 |
| 330958 | TENNEY TEL CO | 445 | 228,337 | 340,541 | 112,204 | 261,250 | (149,045) |
| 330959 | THORP TEL DBA PTI CM | 2,412 | 419,242 | 1,594,619 | 1,175,377 | 390,926 | 784,451 |
| 330960 | TRI-COUNTY TEL COOP | 5,316 | 731,760 | 3,771,504 | 3,039,744 | 1,265,999 | 1,773,746 |
| 330962 | UNION TEL CO - WI | 4,635 | 889,586 | 3,803,420 | 2,913,834 | 1,110,429 | 1,803,405 |
| 330963 | UTELCO INC | 15,953 | 3,682,928 | 7,312,645 | 3,629,717 | 1,460,918 | 2,168,799 |
| 330964 | FRONTIER CM WISCON | 21,884 | 4,847,049 | 12,035,093 | 7,188,045 | 2,060,099 | 5,127,945 |
| 330966 | VERNON TEL COOP | 6,211 | 1,116,710 | 4,565,031 | 3,448,320 | 1,710,741 | 1,737,579 |
| 330967 | FRONTIER CM VIROQUA | 4,124 | 743,453 | 1,771,411 | 1,027,958 | 808,512 | 219,446 |
| 330968 | WAUNAKEE TEL CO | 4,935 | 1,118,001 | 2,081,046 | 963,045 | 897,648 | 65,397 |
| 330970 | WAYSIDE TEL CO | 6,113 | 340,145 | 4,281,341 | 3,941,196 | 355,196 | 3,586,000 |
| 330971 | WEST WI TEL COOP INC | 6,619 | 1,099,402 | 4,057,886 | 2,958,484 | 1,484,204 | 1,474,279 |
| 330973 | WITTENBERG TEL CO | 1,758 | 398,082 | 1,546,951 | 1,148,869 | 439,969 | 708,900 |
| 330974 | WOOD COUNTY TEL CO | 29,767 | 7,820,301 | 11,668,060 | 3,847,760 | 600,270 | 3,247,490 |
| 335220 | WISCONSIN TEL CO | 2,121,284 | 564,338,588 | 682,147,146 | 127,130,879 | 167,687,150 | (40,556,271) |
| State Total | | 3,185,880 | 815,823,429 | 1,247,277,077 | 440,775,969 | 330,957,566 | 109,818,403 |

* Support is developed on a wire center specific basis, and may not reflect differences between study area costs and revenues.

Total Industry Universal Service Support Requirement
BCM2 Local Exchange Costs Less Actual Local Exchange Revenues and Resulting Support By Wire Center
Estimates Based on 1993 Costs and Revenues from Publicly Available Data

| NECA Code | Company Name | Annual Amounts Based on BCM2 | | | | | |
|----------------------|----------------------|------------------------------|-------------------------|--------------------|---------------------------|------------------------------------|-----------------------|
| | | BCM2 Lines | Actual Local Revenue | BCM2 Local Cost | BCM2 Support Required* | Actual Support Required (Att 2) | Support Difference |
| (A) | (B) | (B) | (C) | (D) | (E) | (F) | (G=E-F) |
| West Virginia | | | | | | | |
| 200256 | ARMSTRONG TEL CO WV | 2,733 | 742,735 | 1,628,574 | 885,839 | 376,004 | 509,836 |
| 200257 | SPRUCE KB SENECA RK | 1,788 | 140,961 | 2,074,188 | 1,933,227 | 302,915 | 1,630,312 |
| 200259 | HARDY TEL CO | 1,087 | 736,883 | 1,501,962 | 765,079 | 2,074,822 | (1,309,743) |
| 200267 | ARMSTRONG TEL CO | 6,560 | 872,108 | 5,015,740 | 4,143,633 | 1,211,999 | 2,931,633 |
| 200270 | MTN ST TEL DBA CITIZ | 28,297 | 6,963,976 | 24,703,175 | 17,739,199 | 7,723,202 | 10,015,998 |
| 200276 | WAR TEL CO | 1,878 | 482,476 | 1,766,675 | 1,284,199 | 145,345 | 1,138,854 |
| 200277 | WEST SIDE TEL CO | 4,230 | 975,067 | 2,759,936 | 1,784,868 | 470,429 | 1,314,439 |
| 204338 | CITIZENS TELECOM WV | 138,166 | 14,030,200 | 85,324,245 | 71,294,045 | 5,222,642 | 66,071,404 |
| 204339 | CITIZENS UTILIT CO | 3,936 | 29,577,570 | 2,573,945 | 0 | 17,090,297 | (17,090,297) |
| 205050 | BELL ATLANTIC WV INC | 866,570 | 314,482,530 | 407,318,037 | 111,935,884 | 116,913,923 | (4,978,039) |
| State Total | | 1,055,245 | 369,004,506 | 534,666,478 | 211,765,974 | 151,531,578 | 60,234,396 |

* Support is developed on a wire center specific basis, and may not reflect differences between study area costs and revenues.

Total Industry Universal Service Support Requirement
BCM2 Local Exchange Costs Less Actual Local Exchange Revenues and Resulting Support By Wire Center
Estimates Based on 1993 Costs and Revenues from Publicly Available Data

| NECA Code | Company Name | Annual Amounts Based on BCM2 | | | | | |
|----------------|---------------------|------------------------------|-------------------------|--------------------|---------------------------|------------------------------------|-----------------------|
| | | BCM2 Lines | Actual Local Revenue | BCM2 Local Cost | BCM2 Support Required* | Actual Support Required (Att 2) | Support Difference |
| (A) | (B) | (B) | (C) | (D) | (E) | (F) | (G=E-F) |
| Wyoming | | | | | | | |
| 511595 | UNITED TELCO | 8,297 | 2,132,001 | 5,204,321 | 3,072,320 | 1,616,814 | 1,455,506 |
| 512251 | RANGE TEL COOP INC | 2,079 | 421,300 | 2,460,203 | 2,038,903 | 1,210,176 | 828,728 |
| 512289 | CHUGWATER TEL CO | 322 | 44,024 | 601,132 | 557,107 | 151,313 | 405,794 |
| 512295 | SILVER STAR TEL CO | 1,290 | 519,927 | 1,020,234 | 500,307 | 1,037,817 | (537,510) |
| 512296 | TRI-CO TEL ASSN INC | 1,109 | 228,254 | 1,897,489 | 1,669,236 | 754,936 | 914,299 |
| 512297 | UNION TEL CO - WY | 5,973 | 2,157,355 | 5,837,813 | 3,680,457 | 1,856,188 | 1,824,269 |
| 512299 | TEL UTILITIES OF WY | 3,014 | 1,033,402 | 3,508,639 | 2,475,237 | 1,116,228 | 1,359,009 |
| 515108 | US WEST MTN BELL | 246,464 | 69,604,148 | 101,090,021 | 31,485,873 | 56,318,085 | (24,832,212) |
| | State Total | 268,549 | 76,140,411 | 121,619,851 | 45,479,440 | 64,061,557 | (18,582,117) |

* Support is developed on a wire center specific basis, and may not reflect differences between study area costs and revenues.

**LOCAL EXCHANGE COST COMPARISON
BELL OPERATING COMPANIES**

| NECA CD | BOC Study Area Name | COSTS PER LINE PER MONTH | | | |
|---------|------------------------------------|--------------------------|---------|---------|----------|
| | | Actual | BCM | TELRIC | Hatfield |
| 105111 | NYNEX-MAINE | \$41.78 | \$40.98 | \$30.14 | \$22.65 |
| 115112 | NYNEX-MASSACHUSETTS | \$35.78 | \$48.43 | \$21.28 | \$16.49 |
| 125113 | NYNEX-NEW HAMPSHIRE | \$40.62 | \$36.59 | \$27.45 | \$21.57 |
| 135200 | SNET-CONNECTICUT | \$45.03 | \$28.89 | \$24.68 | \$17.96 |
| 145115 | NYNEX-VERMONT | \$47.47 | \$41.04 | \$31.58 | \$24.48 |
| 155130 | NYNEX-NEW YORK | \$46.49 | \$23.62 | \$23.20 | \$16.22 |
| 165120 | BELL ATLANTIC-NEW JERSEY | \$32.15 | \$24.25 | \$23.92 | \$15.27 |
| 175000 | BELL ATLANTIC-PENNSYLVANIA | \$33.82 | \$25.58 | \$23.75 | \$16.59 |
| 185030 | BELL ATLANTIC-MARYLAND | \$36.66 | \$25.63 | \$24.81 | \$16.65 |
| 195040 | BELL ATLANTIC-VIRGINIA | \$37.43 | \$27.02 | \$25.58 | \$17.06 |
| 205050 | BELL ATLANTIC-WEST VIRGINIA | \$47.81 | \$39.17 | \$30.70 | \$25.74 |
| 215191 | SOUTHERN BELL - FLORIDA | \$43.01 | \$27.91 | \$25.13 | \$16.14 |
| 225192 | SOUTHERN BELL - GEORGIA | \$44.86 | \$28.79 | \$27.54 | \$18.80 |
| 235193 | SOUTHERN BELL - NORTH CAROLINA | \$43.58 | \$30.16 | \$28.16 | \$18.32 |
| 245194 | SOUTHERN BELL - SOUTH CAROLINA | \$48.28 | \$31.91 | \$28.52 | \$20.42 |
| 255181 | SOUTH CENTRAL BELL - ALABAMA | \$42.94 | \$32.49 | \$28.70 | \$22.38 |
| 265182 | SOUTH CENTRAL BELL - KENTUCKY | \$41.87 | \$34.38 | \$28.15 | \$22.10 |
| 275183 | SOUTH CENTRAL BELL - LOUISIANA | \$43.09 | \$32.41 | \$28.43 | \$19.79 |
| 285184 | SOUTH CENTRAL BELL - MISSISSIPPI | \$49.31 | \$38.44 | \$33.42 | \$27.05 |
| 295185 | SOUTH CENTRAL BELL - TENNESSEE | \$41.42 | \$31.59 | \$28.86 | \$20.22 |
| 305150 | OHIO BELL | \$35.40 | \$27.28 | \$27.18 | \$16.87 |
| 315090 | AMERITECH-MICHIGAN BELL | \$33.68 | \$28.92 | \$26.72 | \$17.36 |
| 325080 | AMERITECH-INDIANA BELL | \$33.10 | \$28.77 | \$24.74 | \$17.32 |
| 335220 | WISCONSIN BELL | \$31.92 | \$26.80 | \$27.39 | \$15.69 |
| 345070 | AMERITECH-ILLINOIS BELL | \$30.11 | \$24.64 | \$24.57 | \$15.78 |
| 355141 | NORTHWESTERN BELL-IOWA | \$28.56 | \$28.98 | \$27.39 | \$19.86 |
| 365142 | NORTHWESTERN BELL-MINNESOTA | \$34.09 | \$27.27 | \$26.26 | \$18.75 |
| 375143 | NORTHWESTERN BELL-NEBRASKA | \$46.95 | \$29.16 | \$29.50 | \$28.05 |
| 385144 | NORTHWESTERN BELL-NORTH DAKOTA | \$34.14 | \$31.61 | \$36.81 | \$19.76 |
| 395145 | NORTHWESTERN BELL-SOUTH DAKOTA | \$35.62 | \$38.01 | \$36.78 | \$20.93 |
| 405211 | SOUTHWESTERN BELL TEL CO-ARKANSAS | \$41.95 | \$34.24 | \$32.63 | \$22.20 |
| 415214 | SOUTHWESTERN BELL TEL CO-KANSAS | \$37.37 | \$28.28 | \$31.30 | \$21.02 |
| 425213 | SOUTHWESTERN BELL TEL CO.-MISSOURI | \$39.95 | \$25.70 | \$29.77 | \$18.74 |
| 435215 | SOUTHWESTERN BELL TEL CO-OKLAHOMA | \$38.67 | \$28.02 | \$29.08 | \$21.32 |
| 445216 | SOUTHWESTERN BELL TEL CO-TEXAS | \$40.48 | \$24.92 | \$26.94 | \$16.76 |

**LOCAL EXCHANGE COST COMPARISON
BELL OPERATING COMPANIES**

| NECA CD | BOC Study Area Name | COSTS PER LINE PER MONTH | | | |
|---------|--------------------------------------|--------------------------|---------|---------|----------|
| | | Actual | BCM | TELRIC | Hatfield |
| 455101 | MOUNTAIN BELL- ARIZONA | \$36.85 | \$29.51 | \$24.30 | \$20.58 |
| 465102 | MOUNTAIN BELL - COLORADO | \$40.75 | \$29.32 | \$26.42 | \$23.25 |
| 475103 | MOUNTAIN BELL - IDAHO | \$32.50 | \$33.94 | \$31.61 | \$22.72 |
| 485104 | MOUNTAIN BELL - MONTANA | \$38.09 | \$33.09 | \$36.63 | \$26.56 |
| 495105 | MOUNTAIN BELL - NEW MEXICO | \$40.36 | \$32.66 | \$30.11 | \$23.39 |
| 505107 | MOUNTAIN BELL - UTAH | \$33.42 | \$28.82 | \$26.57 | \$21.35 |
| 515108 | MOUNTAIN BELL - WYOMING | \$44.52 | \$34.18 | \$36.56 | \$30.26 |
| 525161 | PACIFIC NORTHWESTERN BELL-WASHINGTON | \$35.83 | \$26.16 | \$24.82 | \$17.29 |
| 535163 | PACIFIC NORTHWESTERN BELL-OREGON | \$35.80 | \$29.04 | \$26.89 | \$19.31 |
| 545170 | PACIFIC BELL-CALIFORNIA | \$32.84 | \$23.97 | \$22.55 | \$15.08 |
| 555173 | NEVADA BELL | \$36.12 | \$34.19 | \$30.40 | \$26.34 |
| 565010 | BELL ATLANTIC - DELAWARE | \$30.81 | \$28.28 | \$23.14 | \$17.21 |
| 575020 | C&P TEL CO - WASHINGTON, DC | \$34.64 | \$16.76 | \$22.26 | \$13.21 |
| 585114 | NYNEX-RHODE ISLAND | \$32.99 | \$27.89 | \$22.93 | \$16.59 |

SOURCES: Actual - Estimated from 1993 publically available data filed by BOCs. Costs include all loop costs, local portion of switching, and local exchange interoffice costs.

BCM - Benchmark Cost Model 2

Hatfield - Hatfield - Version 2.2, Release 2, "Cost of Network Elements" Worksheet.

FCC TELRIC - FCC Interconnection Report and Order, CC Docket Nos., 96-98 and 95-185.

Local exchange costs consist of:

- Loop Costs (Appendix D, State Proxy Ceilings For The Local Loop)
- Switching Costs Assume 2,000 MOU Per Line @ .003 per MOU (\$.003 represents average of proxy range of \$.002 to \$.004 defined in Appendix B, Final Rules, Table A.)
- Transport proxy estimate @ \$2.00 per line (SWBT Estimate)
- Cross-Connect @1.90 per line (SWBT Estimate)
- Switching Port Charge @ \$1.55 Per Line (average of proxy range of \$1.10 to \$2.00 defined in 9/27/96 FCC Order On Reconsideration.

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

In the Matter of)

Transport Rate Structure)
and Pricing)

CC Docket No. 91-213

TO THE COMMISSION

COMMENTS OF
SOUTHWESTERN BELL TELEPHONE COMPANY

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February 1, 1993

COMMENTS OF
SOUTHWESTERN BELL TELEPHONE COMPANY

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SUMMARY

If the Commission's goals in this proceeding are to be met, LECs must be given the opportunity, as the Commission pursues its expanded interconnection agenda, to compete without restrictive rate structures and regulatory handicaps on pricing. The equal charge rule was not adopted in and is not suited for a competitive environment. The changes to the equal charge rule adopted in the interim rate structure are far too minor to allow the LECs to compete effectively, especially given the Commission's plans for expanded interconnection. The implementation of expanded interconnection should not precede the adoption of the long term rate structure, which should be developed as part of a comprehensive review of the access charge plan.

Changes to the interim rate structure are necessary in the long term structure. A tandem-switched transport structure that includes both a flat rate and a per minute rate should be adopted with the end-to-end structure remaining as a service option. LECs must be afforded pricing flexibility under any rate structure adopted and should be given the same freedom to offer term and volume discounts that competitors enjoy. LECs should not be required to establish the tandem as a surrogate SWC. Concerns regarding the placement of tandems are also unwarranted.

The regulation of LEC rate levels must allow the LECs to compete fairly because only true competition will drive prices toward direct costs. Thus, LECs must be given pricing flexibility.

* All abbreviations used herein are referenced within the text.

The Commission's proposal to allow pricing flexibility by segmenting the switched access market into zones does not go far enough because the overall weighted average switched transport rates for all zones can only decline by 5% without triggering extensive regulatory review. SWBT believes that the tandem-switched-transport rate structure it originally proposed in this proceeding is the most economically efficient and appropriate to meet the Commission's goals.

The costs recovered through the IC in the interim rate structure are legitimate costs of providing transport service. The reduction or elimination of the IC should only be accomplished after a comprehensive review of the access rules have been completed and a solution is adopted which serves the interests of all parties and factors affected by the IC, including the interest of the end user customer in low volume/high cost areas. Several options are presented for resolving the IC dilemma. SWBT recommends that the Commission pursue Option 1 which involves Part 69 cost allocation changes and implementation of economically efficient pricing policies.

Because the costs underlying the IC are allocated based on usage they are appropriately recovered by a traffic sensitive rate element, the IC charge should not be reduced or capped.

The price cap baskets proposed in the FNPRM are inadequate to meet the demands of a competitive environment. There should be a restructuring of the price cap baskets consistent with the overall restructuring of access service.

BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

| | | |
|--------------------------|---|----------------------|
| In the Matter of |) | |
| |) | |
| Transport Rate Structure |) | CC Docket No. 91-213 |
| and Pricing |) | |

COMMENTS OF
SOUTHWESTERN BELL TELEPHONE COMPANY

Southwestern Bell Telephone Company (SWBT), by its attorneys hereby files its comments pursuant to the Report and Order (Interim Transport Order) and Further Notice of Proposed Rulemaking (FNPRM) in this proceeding.¹ These comments show that substantial changes to the interim transport rate structure adopted in the Interim Transport Order are necessary to meet the Commission's long-term goals in this docket. To achieve the Commission's long term goals in this proceeding the rate structure adopted must allow the LECs the pricing flexibility needed to respond to competition.

I. INTRODUCTION

A. Background

In 1984 the Commission began consideration of how its rules should be coordinated with the Modification of Final Judgement's (MFJ's) "equal charge per unit of traffic" requirement. On February 27, 1985, the Commission indefinitely extended a waiver of the Part 69 rules to permit the Regional Bell Operating Companies (RBOCs) to comply with the MFJ's "equal charge" mandate.²

¹ Transport Rate Structure and Pricing, 7 FCC Rcd 7006 (1992).

² MTS and WATS Market Structure, CC Docket No. 78-72, Phase I, Memorandum Opinion and Order, (FCC 85-87) 50 Fed. Reg. 9633 (1985).

In January, 1991 the Commission issued a Request for Information inviting comments on competitive, technological and regulatory developments in the telecommunications industry since 1984 in order to determine what should be done upon expiration of the MFJ equal charge requirement.³ Following extensive comments, the Commission proposed a more cost-based transport rate structure and pricing plan but required local exchange carriers (LECs) to maintain the equal charge rate structure pending further agency action.⁴

In September, 1992 the Commission adopted the Interim Transport Order establishing an interim switched transport rate structure and pricing plan to be effective for two years beginning November 1, 1993. The Commission also issued its FNPRM to determine what the long term rate structure should be beginning November, 1995.

At the same time the Commission released a Second Notice of Proposed Rulemaking (SNPRM) in CC Docket No. 91-141 initiating two phases of investigation into switched access expanded interconnection issues.⁵ In Phase I, the Commission proposes that Tier 1 LECs offer expanded interconnection for switched access services. Such interconnection would allow competitors and end-

³ MTS and WATS Market Structure, CC Docket No. 78-72, Phase I, Request for Information to Supplement the Record, 6 FCC Rcd. 594 (1991).

⁴ Transport Rate Structure and Pricing, CC Docket No. 91-213, Order and Further Notice of Proposed Rulemaking, 6 FCC Rcd. 5341 (1991).

⁵ Expanded Interconnection with Local Telephone Company Facilities, CC Docket No. 91-141, Phases I & II, Second Notice of Proposed Rulemaking, released October 16, 1992.

users to offer switched transport between LEC central offices, including tandem offices, and interexchange carriers' points of presence (POPs). This would allow interconnection directly with LEC switches, subscriber lines and other portions of the LEC switched transport network. Additionally, the Commission seeks comments on the appropriate pricing flexibilities to be extended concurrent with expanded interconnection for switched access services.

In Phase II, the Commission, responding to the interest of parties in providing switching facilities that directly compete with the functions currently offered by LEC tandem switches, proposed eliminating any barriers precluding such ability. This form of switched access competition will further the creation of a "network of networks," whereby the switched networks of LECs and others will not only interconnect with one another, but will also compete with one another. The current phases of this proceeding are scheduled to be completed by September, 1993, and to be implemented concurrent with the implementation of the interim transport rate structure. This results in an interim rate structure with no interim time period.

The interim rate structure gives considerable weight to the concerns of medium and small sized interexchange carriers (IXCs) which claim that their networks would be at a competitive disadvantage unless the judicially mandated equal charge regime is continued. However, competition and the advent of interconnection for switched transport makes the interim transport structure inadequate.

As noted by the Commission, "the rate structure and pricing of switched transport are the keystone of a regulatory structure designed to promote competition for interstate switched transport and interexchange service and to encourage efficient use of the access network, thereby promoting economic investment and innovation".⁶ Thus, it is critical that the new long term rate structure accurately reflects LEC transport rates and costs.⁷ The long term rate structure must also allow the LECs pricing flexibility to respond to competition. Substantial changes are needed in the interim transport structure to meet the Commission's long term goals in this proceeding and to allow the LECs to compete without handicaps as the Commission pursues its expanded interconnection policies. Such changes must be incorporated in the long term rate structure.

B. A Comprehensive Review of the Access Charge Rules Must Be Completed and Interstate Access Reform Implemented Prior to or Along With Switched Access Expanded Interconnection.

In light of the complexities of the issues involved in the access arena, a comprehensive access review proceeding should be opened promptly. This review could be conducted in parallel with the more narrowly focused proceedings already underway, without delaying the adoption of interim measures in those proceedings. Interstate access reform must focus on providing structural flexibility, pricing flexibility and the continued support of public policy obligations. SWBT and other service

⁶ Interim Transport Order, at para. 1.

⁷ Id.

providers must be able to utilize these flexibilities freely in order to meet customer needs.

Structural flexibility would be achieved by limiting Part 69 rate structure codification to a Public Policy access category for all LECs. In addition, the current price cap baskets would be restructured.

Pricing flexibility would be achieved by matching regulatory oversight to the degree of competitiveness in individual market areas. Behavioral criteria regarding customers' ability and willingness to shift their demand would be utilized to demonstrate the competitive nature of the market area.

Public policy support obligations must be reconciled with procompetitive policy objectives. The Commission's goal of promoting the growth of competition in the marketplace may undermine its established goal of promoting universal service. The basic goals encompassed in the Unity 1-A Agreement must continue. SWBT believes minimal changes are needed to existing support mechanisms, suggests the need to evaluate additional explicit support mechanisms, and suggests reforms in the current depreciation process. SWBT believes that all service providers, including IXCs and Competitive Access Providers (CAPs), should assist in the recovery of universal service costs.

The current elements codified in Part 69 are reflective of service applications (e.g., switched access or special access). The access rate structure defined within Part 69 should instead be based on access categories. An access category is a general classification into which access functionalities (e.g., transport,

switching, etc.) may be logically grouped. The number of codified access categories would be limited to four. A flexible access structure, as described herein, would facilitate the introduction of new services and technologies.

A codified Public Policy access category, applicable to price cap and non-price cap LECs, could include: Lifeline Assistance, Universal Service Fund (USF),⁸ End User Common Line (EUCL) Charge, Carrier Common Line (CCL) (or a substitute recovery mechanism), Long Term Support, Interconnection Charge (IC), and any other elements established for public policy purposes. The Commission would determine the elements assigned to and codified within the Public Policy category.⁹

Three additional Part 69 access categories, applicable to non-price cap LECs, would also be codified: Switching, Transport and Other. Non-price cap LECs would be able to establish individual rate elements below the access category level on a non-codified basis.

For price cap LECs, only common line elements within the Public Policy access category would require cost allocations. For non-price cap companies, all four access categories would require cost allocations to develop the appropriate revenue requirements. With the exception of Public Policy rate elements, no other rate

⁸ The funding mechanisms for Lifeline and USF are detailed in Part 36.

⁹ Common line costs would be recovered through elements in the Public Policy category. While the EUCL element would be codified and the revenue target for all common line would be calculated under a specified formula, LECs should be able to propose new rate elements to recover revenues currently recovered through the CCL charge.